



## **Request for City Council Committee Action from the Department of Public Works**

**Date:** January 14, 2014

**To:** Kevin Reich, Chair, Transportation & Public Works Committee

**Subject:** **Contract Renewal for Waste Disposal Services with Hennepin County**

**Recommendation:**

Authorize proper City officers to negotiate and execute a contract with Hennepin County for processing and disposal of municipal solid wastes collected in Minneapolis through December 31, 2015 at a rate of \$49.00 per ton.

**Previous Directives:**

- January 27, 2012: Authorize proper city officers to negotiate and execute an agreement with Hennepin County for processing and disposal of municipal solid wastes collected in Minneapolis.

**Department Information:**

Prepared by: David Herberholz, Director, Solid Waste and Recycling Division

Approved by: \_\_\_\_\_

Steven A. Kotke, P.E., Director of Public Works

Presenters in Committee: David Herberholz

**Reviews**

- Permanent Review Committee (PRC): Approval   X   Date \_\_\_\_\_
- Civil Rights Approval Approval   X   Date \_\_\_\_\_
- Policy Review Group (PRG): Approval        Date \_\_\_\_\_

**Financial Impact**

- No financial impact
- Action is within the Business Plan

**Community Impact**

**Supporting Information**

The Division of Solid Waste & Recycling Services provides garbage, recycling, yard wastes, large items or problem materials, (metals) and electronics collections services for approximately 105,700 dwelling units in Minneapolis. All 1-4 dwelling unit residential properties in Minneapolis are required to have City services. Collection is provided by City employees to one-half of the dwelling units, and by a contractor, Minneapolis Refuse, Inc., to one half of the dwelling units. Solid Waste & Recycling Services directs the delivery of all collection services to city or city-contracted processing and/or disposal facilities. The City contracts with Hennepin County to dispose of solid wastes at the Hennepin Energy Recovery Facility (HERC) in downtown Minneapolis. The City is currently paying a tipping fee of \$47 per ton. Hennepin County has indicated an interest in renewing this contract for a period of two years. The new contract would set and hold the tipping fee at H.E.R.C. for two years at \$49.00 per ton. The tipping fee increase is due to normal operation costs incurred by HERC. The City, as in previous contracts, would pay no more per ton than any other entity for disposing of wastes at HERC.

The increase in tipping fee will result in an increase of approximately \$170,000 per year in our HERC expense. This increase in disposal expense is accounted for in the 2014 budget.